

ORIGINAL
RECEIVED

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

APR 19 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Policies and Rules)
Implementing the Telephone)
Disclosure and Dispute)
Resolution Act)

CC Docket No. 93-22
RM-7990

COMMENTS OF BELL ATLANTIC

Bell Atlantic¹ generally supports the regulations proposed by the Commission to implement TDDRA. Together with the rules under consideration by the Federal Trade Commission, they should increase consumer awareness of pay-per-call service practices and charges and protect consumers from deceptive or fraudulent providers.

The proposed rules recognize the complexity of the pay-per-call business and the limited role that local exchange carriers play in this industry. They generally correctly assign responsibilities among the various participants, but certain limited changes are necessary to fix instances in which the Commission proposes to place responsibility with the wrong parties.

Designation of pay-per-call numbers

Bell Atlantic agrees with the Commission's tentative conclusion that all interstate pay-per-call services should be

¹ The Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac telephone companies, ~~The of Virginia and State~~ Telephone Company and New Jersey Bell Telephone ~~Company~~


LEAD-07E

offered through 900 numbers.² Consumers are generally aware that calls to such numbers will result in extra charges appearing on their telephone bills. There would be less consumer "surprise" if all interstate pay-per-call services were offered in this way.

As the Commission recognizes, intrastate pay-per-call services are generally offered through the 976 central office code, and the public benefits from understanding that 976 calls will involve added charges.

However, it would not be in the public interest to require that all intrastate pay-per-call services be offered through 976. Bell Atlantic uses other codes today for adult and GAB services. This permits consumers to block access to these services, while still being able to use other pay-per-call offerings. If these services were provided through 976 numbers, consumers would lose this option.

Nor could Bell Atlantic standardize on a single central office code for adult and GAB services. When it was implementing

theoretically desirable, it is not necessary to meet any consumer need.

The Commission also asks for comment on whether it should require a system of assigning different central office codes for different types of intrastate programs (e.g., news, sports, etc.).³ For the reasons discussed above, there could not be any widespread standardization of any such numbering scheme. More important, however, such a plan would be an extremely inefficient use of already limited numbering resources (that is, NXX codes within existing NPAs). It would require the dedication of an entire 10,000-number central office code to some category of pay-per-call programming, usually only a handful of telephone numbers at most. There is no consumer need to justify such a wasteful requirement.

Collect pay-per-call services

Some pay-per-call providers solicit calls on toll-free 800 numbers and then, in one way or another, transform them into calls for which the consumer must pay. For example, the pay-per-call provider might call the consumer back and get the consumer to accept charges for a "collect call" that far exceed the normal charges for a regular telephone call.⁴

Bell Atlantic agrees with Congress and the Commission that collect pay-per-call services have become an increasing consumer problem and that they should be controlled. However, one

³ Notice ¶ 18.

⁴ Bell Atlantic supports the Commission's proposals for restricting the use of 800 numbers in connection with pay-per-call services. Notice ¶¶ 29-32.

of the Commission's proposals for doing so⁵ puts the responsibility for doing so with the wrong parties -- with common carriers, rather than with the pay-per-call service providers where it belongs.

Bell Atlantic has no way to distinguish collect pay-per-call service calls from any other collect call -- when it delivers the call, renders the bill or answers a customer complaint. Forbidding carriers from providing transmission services for such purposes puts a legal obligation on entities that have no way to identify such calls and, therefore, no means to comply with the regulation.

The Commission notes that prohibiting disconnection of service for failure to pay such charges appears to be consistent with the spirit of TDDRA⁶ and, therefore, proposes to do so.⁷ The billing record submitted to Bell Atlantic by the providing carrier will merely show a collect call from one telephone number -- not from a 900 number -- to another. Bell Atlantic would have no way to separate such collect calls from other long distance calls it bills for the providing carriers, nor a means to treat non-payment of such charges any differently than non-payment of any other long distance charges. The Commission should not adopt such a rule.

The Commission also seeks comment on whether it should prohibit carrier billing of collect pay-per-call service calls.⁸

⁵ Proposed Rule § 64.1505.

⁶ Notice ¶ 21.

⁷ Proposed Rule § 64.1507.

⁸ Notice ¶ 36.

For all the reasons given above, such a prohibition would not be technically feasible.

Free call blocking

TDDRA requires that all existing consumers be given an opportunity to get 900 blocking at no charge (and that they also be able to obtain free blocking when they sign up for new service). Consistent with prior Commission orders, Bell Atlantic has already given residential customers their one-time free blocking opportunity. There is no good public policy reason to require Bell Atlantic to offer them another free call blocking window now.

Nor does TDDRA require that Bell Atlantic do so. The statute does require the Commission to adopt regulations mandating the one-time free blocking opportunity.⁹ But Congress also recognized that the Commission had already adopted many of the regulations required by TDDRA, and it, therefore, included in TDDRA the provision that the Commission could rely on existing regulations where they were consistent with the new law.¹⁰ As the Commission's rules already required the one-time offering of free blocking, the statute does not require the Commission to promulgate a new rule on this point, and the sixty-day period for free blocking will not start to run again.

Selective call blocking options

Congress correctly recognized that it is not yet technically feasible for exchange carriers to offer consumers the

⁹ 28 U.S.C. § 228(c)(4)(A)(i).

¹⁰ Id. § 228(g)(5).

option to block access to specific 900 numbers or to block all but specific numbers.¹¹ As far as Bell Atlantic is aware, the only practical way that this might be done in the foreseeable future is using AIN technology, which Bell Atlantic and some other exchange carriers are now beginning to introduce.

This technology will not be ubiquitous for several years at the very least, even in the networks of the larger carriers. At this point, a precise quantification of the costs of offering called-number-specific blocking capabilities is not possible.¹²

It is also unclear whether there would be any significant consumer demand for this capability or just what the added consumer benefits would be. Today, consumers can block all pay-per-call services or, at least in many states, all adult and GAB services. It is not readily apparent why many callers would want additional blocking options -- to block, for example, all sports services or even particular sports services. Certainly until some significant consumer demand and benefits are identified and quantified, the Commission should not require carriers to develop such capabilities.

¹¹ S. Rep. 102-190 at 15.

¹² Selective blocking services would be extremely cumbersome to administer. While the blocking would be provided by exchange carriers, 900 numbers are assigned by interexchange carriers. A number that reaches a horoscope service today might be used for children's stories next week. Effective selective blocking services would require interexchange carriers to provide a continuous flow of information to exchange carriers as the uses of individual 900 numbers changed and would then require the updating of the blocking information for all customers of the capability.

Tariffing of blocking capabilities

Bell Atlantic began offering 900 blocking in its intrastate tariffs in early 1990. This is appropriate, since these are end user services offered to subscribers in connection with the local exchange services they buy. These services are not available to access customers -- an interexchange carrier could not order 900 blocking for an individual end user's line.

There is no reason to require federal tariffing of these services. Nothing has changed since the Commission's 1991 conclusion that state regulation was working satisfactorily.¹³ There is no greater need for national uniformity now than there was then. The Commission can deal with claims that individual exchange carriers have not offered the congressionally required blocking through the complaint process -- either formal or informal -- without subjecting itself and the entire industry to additional tariff filing and review obligations.

Forgiveness and refunds

A consumer who complains about a pay-per-call service that is offered in violation of the law should not have to pay for the service, and the provider of such a service should be required to refund the customer's money.

Local telephone companies should not be liable for such refunds, either in the first instance or if the pay-per-call service provider is insolvent or cannot be located. Exchange

carriers, of course, are not in a position to protect themselves against unscrupulous pay-per-call providers because they typically have no dealings with the providers. The proposed rules recognize this fact and would place this liability on the "carrier providing billing and collection services to a provider of pay-per-call services,"¹⁴ that is, the interexchange carrier, in most cases.

Costs of compliance

The Notice asks for information about the costs of complying with the Commission's existing 900 regulations, which require free 900 blocking in certain circumstances.¹⁵ More than 1,900,000 (some eleven percent) of Bell Atlantic's access lines have 900 blocking. Because the Commission's rules required Bell Atlantic to provide this service at no charge under a variety of circumstances, Bell Atlantic had no reason to track its costs of providing the capability.

Bell Atlantic implemented this capability on many of these lines when it was doing other work for the customer, such as establishing new service. The incremental cost of adding 900 blocking in such cases is negligible. Bell Atlantic does not know how many customers got 900 blocking on this basis.

Bell Atlantic does not expect its regulated costs of complying with TDDRA to be significant, especially if the Commission makes it clear that carriers which have already given

¹⁴ Proposed Rule § 64.1511(a).

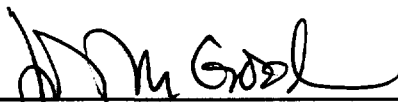
¹⁵ Notice at 18 n.38.

customers the opportunity to get 900 blocking at no charge do not have to do so again.

Data services

Bell Atlantic believes that there is no reason to extend the Commission's rules to data services. Voice services were the focus of the deliberations in Congress. As far as Bell Atlantic is aware, data services have not caused consumer problems.

Respectfully submitted,



John M. Goodman

Attorney for the Bell Atlantic
telephone companies

1710 H Street, N.W.
Washington, D.C. 20006
(202) 392-1497

Edward D. Young, III
Of Counsel

Dated: April 19, 1993